ERC-2131

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              IN THE UNITED STATES DISTRICT COURT
           FOR THE EASTERN DISTRICT OF PENNSYLVANIA
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     EDDYSTONE RAIL COMPANY, LLC,
                                            S
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 4
          Plaintiff/Counter-Defendant,
                                            S
                                           § NO. 2:17-CV-00495-JD
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     V.
 6
     JULIO RIOS, JEREMY GAMBOA, BRIDGER
                                            S
     LOGISTICS, LLC, FERRELLGAS PARTNERS,
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 7
                                            S
     L.P., FERRELLGAS, L.P., et al.,
                                            S
                                            S
 8
            Defendants,
                                            S
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     BRIDGER LOGISTICS, LLC, FERRELLGAS
     PARTNERS, L.P., and FERRELLGAS, L.P., §
10
           Defendants/Counterclaimants.
                                           S
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12
                   ORAL VIDEOTAPED DEPOSITION
13
                       MR. DAVID G. OWNBY
14
                           May 21, 2021
15
          ORAL VIDEOTAPED DEPOSITION OF MR. DAVID G.
16
     OWNBY, produced as a witness at the instance of the
17
     Defendants and duly sworn, was taken in the
18
     above-styled and numbered cause on the 21st day of
19
     May, 2021, from 9:32 a.m. to 5:05 p.m., before
20
     Michelle Hartman, Certified Shorthand Reporter in and
21
     for the State of Texas and Registered Professional
22
     Reporter, reported by computerized stenotype machine
23
     via Zoom videoconference, pursuant to the Federal
24
     Rules of Civil Procedure and the provisions stated on
25
     the record or attached hereto.
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                          APPEARANCES
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 3
     FOR THE PLAINTIFF/COUNTER-DEFENDANT EDDYSTONE RAIL
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     FERRELLGAS PARTNERS, L.P., FERRELLGAS L.P., BRIDGER RAIL
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     SHIPPING, LLC, BRIDGER REAL PROPERTY, LLC, BRIDGER STORAGE,
     LLC, BRIDGER SWAN RANCH, LLC, BRIDGER TERMINALS, LLC,
     BRIDGER TRANSPORTATION, LLC, J.J. ADDISON PARTNERS, LLC, J.J.
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     LIBERTY, LLC, BRIDGER ADMIN SERVICES II LLC, BRIDGER ENERGY,
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     LLC, BRIDGER LAKE, LLC, BRIDGER LEASING, LLC, BRIDGER
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22
     ALSO PRESENT:
23
          Mr. Ben Harwood, videographer
24
25
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Page 7 court reporter please swear in the witness, and we 1 2 may proceed. 3 THE COURT REPORTER: Can I have an agreement between Counsel, please, that the court 5 reporter can swear in the witness remotely? 6 MR. KRAMER: Agreed. 7 Agreed. MR. BARBER: THE COURT REPORTER: Please raise your 8 right hand. 9 10 THE WITNESS: (Comlies). 11 MR. DAVID G. OWNBY, 12 having been first duly sworn, testified as follows: 13 EXAMINATION THE COURT REPORTER: Thank you. You may 14 15 put it down. THE WITNESS: (Complies). 16 17 Q. (BY MR. KRAMER) Okay. Mr. Ownby, good 18 morning. My name is Jake Kramer. I'm counsel for 19 FerrellGas and Bridger. 20 We've seen each other back and forth this 21 morning, but it is very nice to meet you. 22 Nice to meet you. 23 Q. Any reason we can't proceed at this 24 point? 25 I'm ready to go. Α.

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- intermediated by Carlyle."
- Did I read that correctly?
- 3 A. Correct.
- 4 Q. Okay. So the deal contemplated here
- 5 involves Carlyle intermediating only 40,000 of the
- 65,000 barrels per day purchased by JAMEX, right?
- 7 A. That's what it says.
- Q. Okay. And then two bullets down it says,
- 9 "JAMEX also receives open credit on 60 percent of the
- 10 crude supply. They are currently only considering
- 11 intermediating the barrels that are priced in a
- separate month to delivery causing a mismatch in
- payment terms."
- 14 So we talked about open credit
- 15 previously, right?
- A. We have, yes.
- 17 Q. And you described open credit as an
- 18 arrangement where a producer provides barrels on
- 19 credit and then it pays in arrears on the 20th day of
- 20 the following month, right?
- 21 A. That's correct.
- 22 **Q.** Okay.
- A. Typically that's -- that's correct.
- Q. All right.
- 25 A. There's some differences in different

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- 1 parts of the country, but that's typical.
- Q. All right. But if we distill it down,
- 3 that means that JAMEX does not have to pay up front
- 4 for the barrels, right, it can pay later?
- 5 A. Yeah, it says that they have a credit
- 6 facility in place.
- Q. Okay. All right. So to the extent JAMEX
- 8 is buying barrels on open credit, Carlyle doesn't
- 9 have any exposure, does it?
- 10 A. You're going to have to -- you're going
- 11 to have to say that a different way.
- 12 **Q. Sure.**
- 13 A. What do you mean by "exposure"?
- 14 Q. Sure. The proposed deal --
- 15 A. Exposure on what?
- 16 Q. Okay. The deal proposed here is for
- 17 Carlyle to intermediate only 40,000 of 65,000 barrels
- 18 per day, correct?
- 19 A. That's correct.
- Q. All right. And the remaining barrels
- would be purchased on open credit, correct?
- 22 A. That would be 25 a day -- or 25 a day,
- 23 yeah.
- Q. Okay. You didn't factor that open credit
- 25 into your opinion, did you?